

HONORABLE KAREN A. OVERSTREET
CHAPTER 11

HEARING DATE: **DECEMBER 18, 2009**
HEARING TIME: **9:30 A.M.**
LOCATION: **ROOM 7206, SEATTLE**
RESPONSE DUE: **DECEMBER 16, 2009**

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE**

In re
THE CASCADIA PROJECT LLC,
Debtor.

Chapter 11
Bankruptcy No. 09-20780

**OBJECTION OF HOMESTREET
BANK TO FINAL ORDER ON
DEBTOR'S EMERGENCY MOTION
FOR INTERIM AND FINAL ORDERS
APPROVING POST-PETITION
FINANCING PURSUANT TO 11 U.S.C.
§ 364(c)**

HomeStreet Bank ("HomeStreet") objects to the Debtor's request for a final order approving post-petition financing, to the extent that it would provide for DIP financing after the week of January 15, 2010.

The Court has determined that the Debtor's real property is single asset real estate. As a result, the Debtor is required to commence making monthly payments to HomeStreet, or file a plan with a reasonable possibility of being confirmed within a reasonable time, within 90 days after the Debtor's petition date. The 90-day deadline is January 13, 2010.

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1 The Debtor has stated on the record that it will be unable to propose a plan without a
2 substantial equity infusion, which it has been seeking for nearly a year to no avail. Accordingly,
3 the Debtor has proposed to commence making monthly interest payments. However, the
4 Debtor's proposed sources for the interest payments are all from the liquidation of HomeStreet's
5 collateral. The Debtor cannot use the liquidation proceeds of HomeStreet's collateral to make
6 the required interest payments. HomeStreet is entitled to those liquidation proceeds separate and
7 apart from the interest payments.

8 The Debtor will be unable to commence making monthly payments or file a confirmable
9 plan by the January 13, 2010 deadline. HomeStreet is filing a motion for relief from the
10 automatic stay, which it will set for hearing on January 15, 2010. Assuming that the automatic
11 stay will be lifted at that time to allow HomeStreet to foreclose on the Debtor's primary asset, at
12 that point many of the line items in the Debtor's DIP financing budget will no longer be
13 necessary. Accordingly, the Court should not authorize DIP financing for periods subsequent to
14 the week of January 15, 2010.

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16 DATED: December 16, 2009

BALL JANIK LLP

17 By: /s/ Brad T. Summers
18 Brad T. Summers, WSBA No. 35281

19 Attorneys for HomeStreet Bank
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CERTIFICATE OF SERVICE

I hereby certify that I served copies of the foregoing **OBJECTION OF HOMESTREET BANK TO FINAL ORDER ON DEBTOR'S EMERGENCY MOTION FOR INTERIM AND FINAL ORDERS APPROVING POST-PETITION FINANCING PURSUANT TO 11 U.S.C. § 364(c)** on the following parties **by CM/ECF**:

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and on the following parties by **mailing** a full, true and correct copy in a sealed first-class postage prepaid envelope, addressed to the parties listed below, and deposited with the United States Postal Service at Portland, Oregon on the date set forth below:

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DATED: December 16, 2009

/s/ Stuart Wylen
Stuart Wylen, Legal Secretary